

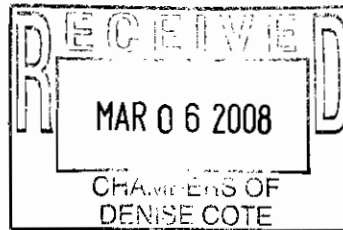
KAUFMAN & KAHN, LLP

MEMO ENDORSED

March 6, 2008

BY HAND DELIVERY

Hon. Denise L. Cote
United States District Court, SDNY
500 Pearl Street, Room 1040
New York, NY 10007



USDC SDNY
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Re: DB Structured Products, Inc. v. Lender Ltd. v. CML Direct, Inc.
(Case No. 07 CV 4119 (DLC))

To the Honorable Judge Cote:

We represent defendant and third-party plaintiff Lender Ltd. ("Lender") in the above case, and write to request an extension of the discovery cutoff, presently scheduled for April 1, 2008. Lender and third-party defendant CML Direct Inc., ("CML") have made a settlement offer to plaintiff DB Structured Products, Inc. ("DBSP"). DBSP reports that it is considering documents and information that Lender and CML provided in February, and is engaging in due diligence in order to determine whether to accept the offer.

Counsel for all parties agreed that, pending our mediation with Magistrate Judge Fox on January 29, 2008, and settlement discussions among the parties thereafter, it would be wasteful and expensive to engage in discovery. While all parties apparently wish to settle, Lender fears being prejudiced by the resulting delay. Neither DBSP nor CML have provided responses to Lender's discovery requests dated October 9, 2007 and October 29, 2007, respectively, and the parties have deferred depositions. In contrast, Lender timely responded on October 1, 2007 to DBSP's discovery demands. CML's counsel served Lender and DBSP with demands on February 29, 2008, and has suggested that we schedule depositions (probably in Detroit, the area where most of the deponents for the third-party action reside). However, Lender and (we understand) CML are in financial straits, and wish to avoid such substantial and potentially unnecessary costs.

Under these circumstances, we respectfully request that Your Honor extend the discovery deadline from April 1, 2008 to May 1, 2008, so that the DBSP can complete its consideration of the settlement offer and the parties might avoid the additional costs of unnecessary discovery. If the case does not settle before March 28, 2008, the next scheduled conference with Your Honor, we trust that the parties will promptly produce responses to outstanding discovery demands.

As reflected in the 1/16/08 order, there shall be no extension of the 4/1/08 date. DBSP and CML must comply with outstanding discovery demands by March 11, 2008. Parties shall

cc. (by email): Dennis Rothman, Esq.
Brendan Zahner, Esq.

Mr. Jim Wickham

Respectfully submitted,

Mark S. Kaufman

meet and confer regarding the place of depositions and bring any unresolved issues

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to the Court's attention promptly. Please take March 7, 2008